

## **Albemarle County Service Authority Board of Directors**

The Board of Directors of the Albemarle County Service Authority (ACSA) met in a regular session on November 16, 2023, at 9:00 a.m. at the Administration and Operations Center at 168 Spotnap Road in Charlottesville, Virginia.

**Members Present:** Mr. Richard Armstrong, Chair; Dr. Lizbeth Palmer; Mr. John Parcels; Mr. Clarence Roberts; Mr. Charles Tolbert, Vice-Chair.

**Members Absent:** Kim Swanson.

**Staff Present:** Roland Bega, Jennifer Bryant, Deanna Davenport, William Defibaugh, Mike Derdeyn, Tonya Foster, Brendan Ganz, Terri Knight, Quin Lunsford, Jeremy Lynn, Michael Lynn, Alex Morrison, Gary O'Connell, Emily Roach (virtual), Danielle Trent, April Walker, Theresa Whiting.

**Staff Absent:** None

**Public Present:** Neil Williamson, Free Enterprise Forum (virtual).

### 1. Call to Order and Establish a Quorum – Statement of Board Chair

Mr. Armstrong called the meeting to order. He then read the opening Board Chair statement (Attached as Page \_\_\_\_\_), and a quorum was established.

### 2. Employee Recognition – GFOA Award; Roland Bega & William Roach-VRWA Expo Tapping Contest; Deanna Davenport – Speaker - VA Statewide Payroll Conference

Mr. Lunsford stated that he is happy to announce that the ACSA has won the GFOA award, Certificate of Achievement for Excellence in Financial Reporting, for the 40<sup>th</sup> consecutive year. He stated that every year the ACSA submits its Annual Comprehensive Financial Report (ACFR) to the GFOA for review, and a number of criteria must be met to earn the award. He stated that it is a true team effort, as information in the ACFR comes from all departments across the organization. He mentioned that the ACSA's Accounting team, joining him in the meeting today, compiles that information and prepares for the audit. He noted that he wanted to

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sincerely thank Deanna Davenport, Theresa Whiting, Tonya Foster, and Jennifer Bryant.

Mr. Lunsford stated that the second recognition he wanted to share was for Deanna Davenport. He stated that last month, Ms. Davenport attended the Virginia Statewide Payroll Conference, and was asked to be a presenter as well. He stated that she gave a presentation titled "Payroll Accounting for Beginners," which gave an overview of the debits and credits behind the payroll process. He stated that the ACSA is glad that she was able to share her expertise with other professionals around the state, and she represented the organization very well.

Mr. Morrison came forward to present the third recognition. He stated that William Roach and Roland Bega competed in, and won, the tapping contest at the Virginia Rural Water Association (VRWA) Expo 2023. He could not recall how many years the team had won the contest. Mr. Bega stated that he and Mr. Roach have won the contest probably 10 out of the 12 years they have attended. Mr. Morrison proceeded to play a short clip of the contest for the Board.

Dr. Palmer asked how long it would take an average person in the field to do what Mr. Roach and Mr. Bega did in the video. Mr. Bega stated that it is a little different in the field, the most obvious difference being that he and Mr. Roach are making the tap above ground. Mr. Morrison stated that if he recalls, the pair do not practice for the competition. Mr. Bega stated that they only practice once a year, and that is at the competition.

### 3. Approve Minutes of October 19, 2023

Dr. Palmer stated that she had a question about something that was said on page 5, under the CIP Authorizations. She stated that it says, "Engineering estimates tend to be high because the company doesn't want to be the low bidder." She asked if Mr. Lynn could explain that for her. Mr. Lynn stated that "low bidder" is a phrase that the engineers use. He stated that the engineering firm is not actually bidding on the project, but they do

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not want their estimate to be lower than all of the actual construction bids. He stated that the engineering firm will often build in contingencies, so that their numbers are a little higher. He added that they would rather overestimate the cost than underestimate, especially if that estimate is being used for budgeting purposes.

***Mr. Tolbert moved to approve the minutes of October 19, 2023, seconded by Mr. Parcels. All members voted aye.***

4. Matters from the Public

There were no matters from the public.

5. Response to Public Comment

There was no response to public comment.

6. Consent Agenda

a. ***Monthly Financial Reports –***

- b. ***Monthly Capital Improvement Program (CIP) Report –*** Mr. Tolbert asked if the Ragged Mountain Phase 1 Water Main Replacement project was the project that was being delayed by VDOT's bridge project. Mr. Lynn replied that the Ragged Mountain Phase 1 project is the project where the ACSA was going to take advantage of VDOT's bridge replacement project. He stated that VDOT was going to install a box culvert, which would create room between the bottom of the road and the box culvert, to install a new water main. He noted that VDOT's project continues to be on hold, as they have advertised and opened bids twice, which have both been in excess of their budgeted amount. He stated that the ACSA is exploring alternative routes to get across the creek without utilizing the bridge.

Mr. Tolbert stated that on page 70, the FY 2024 Miscellaneous Sewer Rehab update mentions a site visit. He asked what site is being referred, given that the project involves miscellaneous places. Mr. Lynn

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replied that there is a run of sanitary sewer east of Avon Street and north of I-64, that is not in the roadway but in an easement. He stated that the issue is figuring out how to get down there with all of the necessary equipment to reline the sanitary sewer pipe. He stated that this is the site visit that is being referenced.

Mr. Tolbert stated that on page 71, the ESRI ARcGIS Utility Network Implementation Study summary states that the group is working on their state assessment. He asked what that means. Mr. Lynn replied that it is an assessment of what the current set of data looks like. He mentioned that they will then do a future state assessment to look at where the ACSA wants to be at the end of the project.

Mr. Tolbert stated that his last question was about the Avon Operations Center project summary on page 72. He asked if the off-site easement acquisitions were because the site was being expanded or if that was just for edges that are being smoothed out. Mr. Lynn replied that one of the easements is a grading easement. He stated that the ACSA has been in communication with that property owner, and they seem agreeable. He noted that the other property owner, for the off-site utility easement, has not been responsive to-date. He added that the staff will continue to do its best to get in touch with them and get to a point where they are agreeable to grant the easement.

***c. CIP Authorizations –***

***d. Rivanna Water and Sewer Authority (RWSA) Monthly Update –*** Dr. Palmer asked how much the RWSA had to pay the UVA Foundation for the land. Mr. O’Connell replied that he did not know but would be happy to find out. Dr. Palmer stated that she would also like to know the acreage of the land, and what was paid per acre. Mr. Parcels asked if she was referring to the land for the pump station, to which Dr. Palmer replied yes.

***e. ACSA Board Policy Future Issues Agenda 2023 –***

***f. Advanced Metering Infrastructure (AMI) Project Update –***

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**g. CIS Contract Approval** – Mr. Parcels stated that the Validos proposal seemed very nondescript, whereas these types of proposals are usually specific with a line-by-line breakdown. He stated that it would be nice to see this type of specific breakdown from Validos. Mr. Lunsford replied that there was a comprehensive statement of work which the ACSA will be able to publicly share after the Notice of Intent 10-day period ends today.

***Dr. Palmer moved to approve the consent agenda, seconded by Mr. Parcels. All members voted aye.***

### **7. Annual Comprehensive Financial Report (ACFR)**

Mr. O'Connell stated that Mr. Lunsford would introduce the auditors, and then would walk the Board through the ACFR. He stated that the ACSA Board Audit Committee, Mr. Tolbert and Mr. Parcels, have met with the ACSA auditors and staff to perform an in-depth review of the report. Mr. Armstrong thanked Mr. Tolbert and Mr. Parcels, on behalf of the Board, for being on the committee.

Matt Heatwole, Partner with Brown Edwards, came forward to present their audit findings. He stated that the audit process went very smoothly, and they were very appreciative of the ACSA staff. He stated that Brown Edwards was issuing an unmodified, clean audit opinion on the ACSA's financial statements and disclosures and believe that they are materially correct and in accordance with generally accepted accounting principles. He noted that he was happy to report there were no material compliance findings or material internal control matters to communicate to the Board. He mentioned that there is a letter Brown Edwards provides to governance, which serves as a summary of the audit and how they arrived at a clean audit opinion. He stated that in that letter, there is also a copy of the management representation letter that management provided to Brown Edwards at the conclusion of the audit.

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Mr. Tolbert stated that Mr. Heatwole mentioned “no significant difficulties” with the audit. He asked if the opinion would ever state “no difficulties.” Mr. Heatwole replied that he would say no significant difficulties would mean no difficulties encountered.

Mr. Lunsford came forward to give a short overview presentation on the ACFR (Attached as Pages\_\_\_\_\_), to review the financial performance of the ACSA and some operational metrics. He stated that he would give a financial report overview, followed by some financial highlights, operating information, and a summary.

Mr. Lunsford moved to the first financial highlights slide. He stated that the ACSA’s assets/deferred outflows totaled over \$245 million this year, liabilities/deferred inflows totaled about \$16 million, with a net position of \$229.5 million. He mentioned that the net position total is an increase of \$9.4 million over the prior fiscal year. He added that he will illustrate why that change occurred as he goes through the rest of the presentation.

Mr. Lunsford stated that the right-hand side of the slide shows the ACSA’s operating revenues, which is water sales and collection of sewer for treatment. He stated that operating expenses and non-operating revenues are listed next, which the bulk of those this year were related to investment income. He stated that non-operating expenses and capital contributions are shown as well. He stated that it is important to note that there are two main components of the capital contributions. He stated that the first, developer contributions of capital assets, refers to when a developer installs infrastructure and transfers it to the ACSA. He stated that the second component, system/capacity fees, are actual cash payments to the ACSA for capacity. He noted that almost \$12 million was collected in system capacity fees this year.

Mr. Lunsford stated the next financial highlights slide shows operating revenues increased this year by almost 4% and, interestingly, water rates increased by 7% in the FY 2023 budget and sewer rates increased 3%. He stated that while there was an increase in revenue, it did

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not keep pace with ACSA rate increases. He stated that operating expenses increased by 11% this year, with \$2.7 million of that increase related to expected rate increases from RWSA. He mentioned that capital contributions totaled a little over \$13 million, which was a 7% increase over the prior fiscal year.

Mr. Lunsford moved to the next slide, which graphically illustrated the ACSA's total assets for the current fiscal year and the four years prior. He stated that the green represents current assets, which is cash or accounts receivable, followed by investments in dark blue, and capital assets net of depreciation and amortization in the lighter blue. He stated that there was a fairly large increase in the ACSA's current asset balance which, mostly cash, is attributable to the system development and capacity charges that were collected this year.

Mr. Lunsford stated that the next slide was the same information, but in a pie chart form categorized by type, and shows what makes up the financial side of the balance sheet for FY 2023. He stated that it is mostly capital assets with cash and liquid investments being the next largest piece.

Dr. Palmer asked what the reason was for the increase in investments. Mr. Lunsford replied that investment performance was positive this year, with the ACSA earning over \$1 million. He stated that, additionally, cash increased because of the collection of system connection and development charges at a higher level than prior fiscal years. Dr. Palmer asked if the increase in investments was mostly due to an increase in interest rates. Mr. Lunsford replied that increased interest rates had a lot to do with it. He stated that the LGIP was paying a little over 5% by June of 2023.

Mr. Parcels asked Mr. Lunsford to refresh his memory about the big jump between 2020 and 2021. Mr. Lunsford replied that in FY 2020, the Board authorized the ACSA to invest funds with PFM. He stated that rather than the LGIP being classified as a current asset, the ACSA moved \$28

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million from the LGIP to other investment classes. Mr. Roberts asked if GAC is an asset of RWSA, paid for by the ACSA. Mr. Lunsford replied yes.

Mr. Lunsford stated that the next slide illustrates the ACSA's total liabilities for the current fiscal year and the four years prior. He noted that there was an 11% increase over FY 2022, most of which is related to a change in the ACSA's net pension liability. He stated that the ACSA participates in the Virginia Retirement System (VRS) on behalf of employees for pensions. He stated that there is a year lag in VRS' reporting, thus they actually showed a loss in investment earnings this fiscal year (\$27,000), compared to last year's report that showed over \$4.3 million in positive earnings. He added that the ACSA's liability increased this year because of that, which drives a majority of the 11% change.

Mr. Lunsford stated that the next slide showed the same information in a pie chart, by type. He noted that debt is the ACSA's largest component, related to the bond that was initially issued for the North Fork Regional Pump Station. He stated that the bond was refinanced last year, as the ACSA was able to take advantage of some positive rates.

Mr. Lunsford moved to the next slide depicting a graph of ACSA revenues and expenses for the current and prior nine fiscal years. He stated that the blue line illustrates ACSA revenue from charges for water that was sold, and charges for sewer that was collected. He stated that the yellow line represents charges from RWSA and ACSA departmental expenses. He mentioned that billed water consumption was down a little more than 2% in FY 2023, compared to FY 2022, and the same was true for sewer.

Mr. Lunsford stated that the next slide showed net position, both by unrestricted net position and net investment in capital assets, with the bar graph illustrating a positive trend over time. He stated that unrestricted net position increased about \$6 million, or 13%, in FY 2023, driven largely by a positive year with new connections and system development charges paid to the ACSA.



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Mr. Lunsford stated that in terms of operating information, shown on the next slide, there were 543 new connections in FY 2023, over 271,000 meters were read, and nearly 8,000 service orders were processed. He stated that the following slide showed the trend over time related to connections to the system. He noted that the graph shows a positive, steady trend and the ACSA does not anticipate that drastically changing in the near term. He mentioned that the billed consumption for water and sewer over the last 10 years on the next slide is a bit more interesting. He stated that there was a dip in both water and sewer consumption this fiscal year, compared to the prior year. He mentioned that generally there is an upward trend, as to be expected with 500+ new connections per year. He stated, however, with conservation measures and weather impacting consumption, there will be changes from year to year.

Mr. Lunsford stated that, in summary, the ACSA has seen considerable growth in the system, which has not slowed down in FY 2024. He stated that there were decreases in both water consumption and sewer treatment in FY 2023, as well as significant increases in costs to treat water and sewer as payments to RWSA, as were expected and budgeted for.

Mr. Parcels stated that the billed consumption graph Mr. Lunsford showed was interesting, especially when compared to the revenues and expenses. He asked if there is a way to make a correlation between the consumption and factors such as weather, so the staff can make predictions about what will happen in the future for budgeting purposes. Mr. Lunsford replied that by the end of October each year, he has a pretty good idea of how close the ACSA will be to what was budgeted for based on historical numbers. He mentioned that warm weather months and irrigation make or break what the ACSA sees in terms of revenue. He noted that there was very dry weather July-October this fiscal year, which is reflected in the consumption data. He added that he expects the graph to show a steeper line for FY 2024 when the same information is presented.

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Mr. Lunsford stated that he is thankful to the Board and all the people who contribute to collecting and compiling our financial information. He stated that he wanted to thank the ACSA Accounting team for preparing the ACFR, preparing for the audit, and keeping the books clean throughout the year. He stated that Emily Roach and her team helped with various tasks such as the binding of the physical document, and Ms. Trent did a wonderful job on the cover this year.

Mr. Roberts stated that when he reads the ACFR, he goes directly to the end and looks for things like no deficiencies. Mr. Tolbert stated that being on the Audit Committee is a fairly simple task. He stated that the reports themselves are clean, and the auditor report always comes back with the type of statement Mr. Roberts referred to. He stated that he wanted to thank the ACSA staff for making it easy.

Mr. Parcels stated that in the audit findings there were “no significant difficulties in dealing with management,” which is obviously a good thing. He mentioned that it also stated, “we are pleased to report that no disagreements arose during the course of our audit,” which is also very good.

### 8. Operational Presentation – Pressure Reducing Valves (PRVs)

Mr. O’Connell stated that this presentation (Attached as Pages\_\_\_\_\_) is part of a continuing effort to share items with the Board that they may not normally see or know about. He stated that Alex Morrison, who was promoted to Director of Operations on November 1<sup>st</sup>, will lead the presentation.

Mr. Morrison stated that he would be presenting along with Billy Defibaugh, ACSA Facilities Supervisor, and Roland Bega, ACSA Operations Supervisor. He stated that he would begin with defining a Pressure Reducing Valve (PRV) and some brief background information. He stated that Mr. Bega would then give some background and information on PRVs in the private water system, such as homes and commercial

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buildings. He stated that Mr. Defibaugh would then cover PRVs in the public water system and PRV stations. He added that he would then close the presentation with some of the changes that are being made to the PRV stations with the implementation of SCADA, followed by any questions the Board may have.

Mr. Morrison stated that a PRV is a simplistic, mechanical device that maintains a reduced output pressure, and can be used for a variety of applications such as liquids or gas. He stated that PRVs provide piping protection from high pressure through the use of a spring-loaded diaphragm. He noted that PRVs can also be used to create pressure bands within the public water system as well.

Mr. Bega moved to the next slide to discuss PRVs in the private water system. He stated that the main function of a PRV is to protect the upstream side of the water line, which includes all of the fixtures and plumbing systems within households and commercial buildings. He stated that historically, around the 1980s, PRVs were located outside in the meter box, and they protected the service line as well as the home. He noted that current day, most of the PRVs are being installed inside the building near the area the water line comes into the home.

Mr. Bega stated that the typical lifespan of a PRV is about 10-15 years. He noted that the inside of the PRV is composed of a simple spring and diaphragm thus, depending on the usage, the spring can wear out or the rubber can break down. He added that in his experience, 12 years is about how long they last. He stated that when they fail, customers will complain of either low pressure or high pressure. He mentioned, for example, if a customer has low pressure at their house but there is 120 psi at the hydrant, it can most likely be determined that the PRV has failed.

Mr. Parcels asked what the normal supply pressure is to the PRV. Mr. Bega replied that it depends on the area. He stated that some places in the Urban area are around 80 psi, whereas some places in the Piney Mountain area can be around 170-180 psi. He stated that the staff is pretty

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familiar with the pressures in different zones, but they do utilize their field maps as well. Mr. Parcels asked if two PRVs are used in areas with pressures that high. Mr. Bega replied no, there is only one required. He noted, however, that there are different types of PRVs for low pressure and high pressure.

Mr. Parcels stated that the way Mr. Bega describes them, it sounds as if the ACSA owns the PRVs. Mr. Bega replied no. He stated that they are located upstream from the meter and belong to the private homeowner. Mr. Parcels stated that, still, the customer calls the ACSA when they have an issue as opposed to a commercial plumber. Mr. Bega replied yes. He stated that the ACSA staff will dispatch personnel to do their due diligence and ensure there is not an ACSA issue.

Mr. Parcels asked if it is reflected on the customer's water bill if the ACSA staff has to perform maintenance. Mr. Morrison replied no. He stated that a majority of time when a customer has a PRV issue, it is an educational experience for them because most people do not know what it is, where it is located, or who to contact to repair it. Mr. Bega added that the ACSA staff does not replace them, but rather troubleshoots and ensures that the ACSA's system is operating properly.

Dr. Palmer asked if the PRVs go bad more quickly in high pressure zones. Mr. Bega replied that he has never seen a pattern of failure based on pressure zones. He stated that it is more dependent on the usage of the PRV. Dr. Palmer asked if PRVs are placed in homes that have well systems. Mr. Bega replied no, it is just for customers with public service. He noted that a well utilizes a pump, thus the water would not reach the same high pressures as it would in the public water system.

Mr. Tolbert asked if there were other things at the home that would affect the water pressure. He stated, for example, PMI came through his neighborhood changing out meters for the AMI project. He stated that the pressure had recently increased in his home, so his wife went out to speak to the gentleman changing out the meter. He stated that the gentleman

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“wiggled” the meter and it did in fact decrease the pressure. He asked if there was something he could have done to the meter that affected the pressure.

Mr. Bega stated that the pressure is determined by the tank elevation. He stated that the only thing that could affect the pressure at the residence is the length of the service line. Mr. Defibaugh stated that the only thing he could think of that would affect the pressure at the meter is possibly a valve that was not fully open.

Mr. Roberts stated that he noticed an increase in his water pressure after the new water mains were installed in his neighborhood. He asked if this was because the water main size was increased. Mr. Morrison stated that there was no change to the system pressure with the Jefferson Village Water Main Replacement project. Mr. Bega added that there could have been some tuberculation in the old line that restricted some of the flow.

Mr. Bega stated that with PRVs in the private water system, it is recommended that the customer install an expansion tank. He stated that with the PRV, it does not allow anything to flow back to the public side, creating that expansion in the house. He stated that once that water heats up and expands, it has to be relieved somewhere and typically will blow up the hot water heater.

Mr. Defibaugh stated that would briefly go over PRVs in the public water system, which the ACSA would own and maintain. He stated that PRVs in the public system are generally around 2-8 inches and are all lead-free. He noted that SCADA systems are now being added, which Mr. Morrison would go over, which will give more instrumentation control with the PRVs.

Mr. Defibaugh stated that the PRV stations, which are where the PRVs are housed, are concrete vaults in the ground and are about 6x12x7. He stated that with confined space regulations, the ACSA does have its own rescue team and those regulations have to be followed to enter the space. He mentioned that with the change in staff, there is no one on the

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Facilities crew that is certified for the rescue team. He stated that they have to rely on the Maintenance group, which makes it difficult to schedule a time to enter the space to perform repairs or other tasks.

Mr. Defibaugh stated that within the vault, there are two 2" valves and one 6'-8" valve for the main valve. He stated that the 2" valves are for domestic flow, and the 6"-8" valve is for fire flow. He stated that all of the vales have a 2" ball valve to isolate them, or a gate valve to isolate the main valve. He noted that this allows the staff to go in and make repairs or switch the valves out without having to shut down the system.

He stated that pressures in the northern half of the county can be anywhere from 170-180 psi. He stated that the PRVs reduce the pressure usually below 80psi, and sometimes lower based on what is needed to maintain adequate fire flow. He mentioned that sometimes there are reductions in pressure inside of a subdivision, with each area getting a little lower. He noted that this can make it difficult to maintain 80 psi because it could over-pressurize a home on the lower side of the subdivision, so sometimes those customers will have their individual PRVs.

Mr. Defibaugh stated that the ACSA Maintenance staff is able to go inside the vault and make repairs, and they keep kits on hand to do so. He stated that the goal is to create a preventative maintenance program and train more staff to operate on the rescue team.

Dr. Palmer asked if the aluminum hatches on top of the vaults open the entire vault. Mr. Defibaugh stated that each door on the hatch is roughly 2x3, thus when they fold up the center of the vault is open and accessible. Dr. Palmer asked what types of situations occur that would require utilizing the rescue team. Mr. Defibaugh replied that sometimes trash can get in the valve and prevent it from operating properly.

Mr. Defibaugh stated that when entering the vault, employees are attached to a 3-point harness and cable so if something happens, they can be pulled out. He mentioned that they are trained to use air purifying systems, similar to the fire department. Mr. Bega stated that when

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employees enter the vault, there are gas monitors that monitor the oxygen levels. He stated that there are hazards in the vaults, such as bad gas, spiders, or snakes, so the rescue team has to be on standby. Dr. Palmer asked where the gas would come from. Mr. Bega replied that typically you see gases when working with sewer, but it is always a possibility in the vault.

Mr. Defibaugh added that sometimes, there could be gas in the vault from a nearby vehicle. Mr. Morrison stated that a majority of the time, it would be a low-oxygen situation in the PRV vault. He mentioned that the sewer system is where there could be an explosive environment or gases that have entered from someone discharging something in the sewer. He noted that the rescue team is an OSHA requirement for the ACSA's compliance-based program, thus they must be on site. He stated that in the event of a low-oxygen situation, the first step would be to self-rescue. He stated that if the employee is able to, they would climb out of the confined space. He stated that the next step, if the employee were unable to rescue themselves, would be for the rescue team to pull the employee out. He stated that if they are unable to pull the employee out using the tether, the rescue team member would use their self-contained breathing apparatus to enter the space and get the other employee to safety. He added that the ACSA staff has never had to make a rescue, but it is something they train for.

Dr. Palmer stated that it seems since the vault is only 7.5 feet deep, that once the hatch doors are opened there would be enough oxygen, especially since the employee entering is most likely around 5'7-6 ft on average. Mr. Defibaugh stated that they do not usually have an issue and it is more of an OSHA requirement. Mr. Morrison added that most of the time when an air monitor goes off, it is because the air hose has been pinched or the inlet gets covered. He added that the rescue team is an added safety measure to ensure staff is not put in an unsafe environment.

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Mr. Morrison stated that the final point he wanted to discuss is the ACSA's PRV SCADA implementation. He stated that the ACSA is currently in Phase 3 of its SCADA Implementation project, and the majority of the facilities included in this phase are the remaining PRV stations. He stated that with this project, the staff can receive real-time data acquisition and alarms from these assets. He mentioned that historically, the only way to tell how the PRVs were operating was to open the vault and look at that analog gauges to see the inlet and outlet pressures, or phone calls from customers experiencing low or high pressure. He stated that there will also be independent flow monitoring in the vaults, and the staff will be able to set alarms to alert them to things such as a high-flow event.

Mr. Morrison stated that with the new SCADA system, the staff will be able to see real-time upstream and downstream pressure and set different thresholds with the alarm system. He stated that with the two 2" domestic PRVs Mr. Defibaugh mentioned earlier, the staff has begun alternating between the two as opposed to running them at the same time. He stated that to avoid confined space entries, the SCADA project has been adding a solenoid control kit that will automatically alternate the two PRVs and if there is a failure or issue, it can automatically switch from one to the other. He noted that there are also intrusion and flood sensors, to protect ACSA assets.

Mr. Morrison stated that there are mechanical changes being made to the 2" PRV piping, and the wire diagram on page 216 shows some of those changes. He stated that before, the two 2" PRVs were side by side, which can make it difficult to work around in a confined space. He stated that with the SCADA project, there was a switch to that configuration that stacks the PRVs on top of each other. He mentioned that this creates more room to maintain or repair the PRVs. He stated that some additional 2" ball valves were installed as well, allowing the staff to isolate a variety of different sections of pipe to make repairs without taking the entire PRV station offline.



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Mr. Morrison stated that the last two slides showed some pictures of the SCADA Phase 3 Implementation, which is ongoing. He stated that the first slide shows photos of the two 2" stacked PRVs, and the solenoid kits that have been added. He mentioned that they are currently being wired to the control panel. He stated that the second, and last slide, shows the two different flow meters that are being installed as well. He stated that the photo on the left is of a 2" Siemens MAG Meter, which will give a reading on all domestic flows that are going through the 2" PRVs within that station. He stated that the photo on the right is a Cla-Val flow meter and kit that goes on the larger valve. He stated that it looks at the stem position and the differential pressure across the valve, to calculate the flow. He stated that this would alert the staff to higher flow events, mainly water main breaks or a fire flow event downstream.

Mr. Parcels asked how many total PRV stations there are. Mr. Morrison stated that there are about 9-10 stations. He stated that six were implemented in this phase of the SCADA project, with the others implemented in earlier phases.

### **9. Corporate Roles & Responsibilities – Proposed Bylaws Change & Resolution**

Mr. O'Connell stated that this item is a follow-up to the discussion and recommendations from last month's meeting. He stated that the Board was given a 10-day notice to consider the amendment to the ACSA Bylaws. He stated that since the last meeting, Mike Derdeyn, ACSA Attorney, has updated the amendment based on suggestions that came up at last month's meeting. He stated that in terms of the ACSA Bylaws, the goal was to clean up some language in one area where the State act was not correctly referenced, and to clearly define the duties of the Executive Director. He noted that other authorities have done so, and the recommendation was to do the same for clarity and legal purposes.

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Mr. O'Connell stated that the other area in which the staff is making recommendations, which the Board would need to act on separately, is a resolution surrounding approvals and signatory authority for different types of documents and legal instruments. He stated that Mr. Derdeyn has drafted a resolution that covers a number of specific areas and has made some changes to that resolution based on the Board discussion last month. He stated that both of these items are before the Board today for approval and adoption.

Dr. Palmer stated that she still has an issue with some of the wording. She stated that she does not understand why the Board is referred to as "The Authority" in the Bylaws. She stated that they do not mention "The Board" until the duties of the Executive Director under Article IV. Mr. Derdeyn replied that the only explanation he can give is that this was the terminology used when the Virginia Water and Waste Authorities Act was created, and it seems to be consistent amongst other authorities.

Dr. Palmer asked if there was some reason the ACSA has to conform to that language, as opposed to making it clearer. Mr. Derdeyn stated that he is not aware of any legal requirement that the ACSA has to use the same language. He stated that in general, unless there is a complete rewrite of a document like this, the practice is to just make the amendments that are deemed necessary at the time. He mentioned that other times, an organization will have a complete review of the document. Mr. O'Connell added that it does seem to be a template that they have seen with other authorities.

Mr. Parcels stated that in reading Section 15.2-5113 of the Virginia Water and Waste Authorities Act, it often makes mention to the "Board Authority." He stated that perhaps the Bylaws can be tweaked a bit to say, "Board Authority" instead of "Authority." Mr. O'Connell stated that perhaps it could be the reverse, "Authority Board," so that it is clearly defined. Dr. Palmer stated that it would solve her issue with the wording.

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Dr. Palmer stated that her only other issue with the Bylaws is Section 3.1 where it states the Executive Director need not be a member of the Board. She stated that the Executive Director should not be a member of the Board. She mentioned that she understands stating that the Secretary-Treasurer need not be a member of the Board, as there may be a time when the Executive Director will not be the Secretary-Treasurer. Mr. Derdeyn replied that he believes this is the language that is included in the statute. Mr. O'Connell asked if there would be an issue clarifying it in the ACSA Bylaws. Mr. Derdeyn stated that he does not believe it would be an issue.

Mr. Parcels stated that in Section 15.2-511 of the Act, there is language that mentions Secretary and Treasurer can be combined, but there is no mention of the Executive Officer. He stated that it does mention in paragraph E, that Board members may appoint the Chief Administrative or Executive Officer, who shall serve at the pleasure of the Board members. He mentioned that he thinks this clarifies that the Executive Officer is not a member of the Board, but rather has been appointed by the Board.

Mr. Derdeyn stated that most likely in the 60's or 70's before there was authorization to have an Executive Officer, the Bylaws would have just made mention of the Secretary-Treasurer not needing to be a member of the Board. He stated that whenever the authorization came to add an Executive Officer, they revised that sentence to include the Executive Officer without giving though to Dr. Palmer's point.

Dr. Palmer stated that she is in no way referring to the ACSA or Mr. O'Connell, but she has been on boards before where the Executive Director was very aggressive and the board very passive. She stated that this one of the reasons that she feels it is necessary to make a clear distinction between the two. Mr. O'Connell stated that even though the Bylaws are before the Board ever year, there has not been a review to this extent. Mr. Derdeyn stated that he will perform a more comprehensive

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review of the Bylaws and make some additional suggested changes based on the comments today and anything else he sees that may need changing.

Mr. Roberts stated that in his experience, in order to open a bank account, there must be documentation that the Board approved it. He stated that he does not see anything in the Bylaws that mentions how to handle money or financial approvals. Mr. Derdeyn stated that there is usually not that level of specificity in Bylaws. He stated that the Bylaws are designed to make determinations about the high-level governance of the organization, not the day-to-day details of how it will function.

Mr. Parcels stated that in terms of the resolution concerning authority of the Executive Director, the first sentence refers to Section 15.2-5114 of the Virginia Code. He stated that this section of the code states that the term of an authority shall not extend beyond a date of 50 years. He stated that he is puzzled by the 50-year term. Mr. O'Connell stated that the County of Albemarle updated the charter in 2014. He stated that there was a formal action by the Albemarle County Board of Supervisors to make that change.

Mr. Tolbert asked if the Board was ready to vote on these items today or if they had to wait until the next meeting, given all the suggested changes today. Mr. Derdeyn stated that since there will be additional changes to the Bylaws, and the suggested resolution refers to the Bylaws, it would make the most sense to consider them together. Mr. O'Connell stated that they would take the same approach as last month, in that Mr. Derdeyn will review the document, make changes, send the Board the changes early to comply with the 10-day notice requirement, and consider it for approval at the December meeting, barring any further suggested changes.

Mr. Tolbert pointed out that once they start revising the Bylaws, it can take months because they will keep finding more changes. Mr. Derdeyn stated that he does not plan on making any significant changes

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outside of the suggested ones or any critical changes that are absolutely necessary. He stated to Mr. Tolbert's point, when organizations amend Bylaws, they are usually targeted changes.

### 10. Items Not on the Agenda

Mr. Tolbert asked if the City Council had taken up the issue of the 12-ft. build on the Ragged Mountain Reservoir. Mr. O'Connell stated that they will take up that matter on December 4<sup>th</sup>. He stated that they are the owner of the property and if they approve it, then the ACSA Board will consider it at the December meeting.

Mr. Tolbert stated that the other item he wanted to bring up, which he feels should be called out publicly, is regarding the Ragged Mountain Reservoir to Observatory Water Treatment Plant Raw Water Line project. He stated that buried in the paragraph on the current status of the project is a statement that says all easements with the UVA Foundation are completed. He stated that this is a huge point. He stated that on the next page, the update on the South Rivanna Reservoir to Ragged Mountain Reservoir Pipeline project states that all necessary easements have been acquired, which is also a huge point.

Mr. Parcels stated that in the graphic Mr. O'Connell sent the Board of the easement path, there was section in yellow that was labeled UVA Foundation. He stated that he supposes that section goes from the pump station into the Observatory Water Treatment Plant. Mr. O'Connell stated that there is a section where the original route went through a cemetery property, and that is being realigned. He stated that the approval for that is with the University of Virginia, not the UVA Foundation. He stated that there is an administrative agreement on the easement, it just has to go through the proper legal channels. He stated that the easements with the UVA Foundation have been the most difficult, so it is significant to be done with that portion.

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Mr. Tolbert stated that it is remarkable that all of the easements for the pipeline from South Rivanna to Ragged Mountain have been acquired. Mr. Parcels stated that he looked at the Daily Water Status Report yesterday, and Ragged Mountain is at 83%, whereas South Rivanna is at 100%. He stated that it would have been nice to have the pipeline in place. He stated that he wonders how it would be determined that it is time to implement drought restrictions, even though South Rivanna is at 100%. Mr. O'Connell stated that as long as South Rivanna is overflowing, most of the water would come from there. He stated that if the South Rivanna stops overflowing, Observatory would be utilized more. He stated that water usage is not the same in the winter as it is in the summer months. He added that this is a good example of why the 12 feet is necessary.

Mr. Tolbert asked who would be making the case for the 12 feet at the City Council meeting. Mr. O'Connell stated that Lauren Hildebrand, Director of Utilities for the City of Charlottesville, will be giving the presentation. He noted that Bill Mawyer, RWSA Executive Director will be present at the meeting as well.

### 11. Executive Session – Executive Director Mid-Year Review

Ms. Trent read a Resolution to enter Executive Session pursuant to Virginia Code §2.2-3711 A (1) to discuss a personnel matter (Attached as Page \_\_\_\_\_).

***Mr. Parcels moved to approve the Resolution as presented to the Board; seconded by Dr. Palmer. The Chair asked for a roll-call vote: Mr. Parcels, aye; Dr. Palmer, aye; Mr. Tolbert, aye; Mr. Armstrong, aye; Mr. Roberts, aye.***

The Board of Directors came back into regular session. Ms. Trent read into record a Resolution stating that only matters so previously stated and exempted from open discussion in regular session were discussed in Executive Session (Attached as Page \_\_\_\_\_).

***Mr. Tolbert moved to approve the Resolution as presented to the Board, seconded by Dr. Palmer. The Chair asked for a roll-call***

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***vote: Mr. Parcels, aye; Dr. Palmer, aye; Mr. Tolbert, aye; Mr. Roberts, aye; Mr. Armstrong, aye; Mr. Moore, aye.***

12. Adjourn

***There being no further business, Dr. Palmer moved that the meeting be adjourned, seconded by Mr. Tolbert. All members voted aye.***

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Gary B. O'Connell, Secretary-Treasurer